

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WISCONSIN
Milwaukee Division

UNITED STATES OF AMERICA,)
Plaintiff,) Case No. 18-cv-1674
v.)
PAUL BOURAXIS,)
Defendant.)

)

COMPLAINT

Plaintiff United States of America, for its complaint against defendant Paul Bouraxis, states the following.

1. This is a civil action brought by the United States to reduce to judgment a civil penalty assessed against defendant Paul Bouraxis for his willful failure to report his interest in certain foreign bank accounts, as required by 31 U.S.C. § 5314 and its implementing regulations, plus interest and other additional amounts, such as administrative costs, that have accrued and will continue to accrue as provided by law, from the date of assessment until paid.

Authorization for Suit

2. The United States brings this suit under 31 U.S.C. § 3711(g)(4)(C) and in accordance with 31 U.S.C. § 5321(b)(2) at the direction of the Attorney General of the United States and at the request and with the authorization of the Internal Revenue Service (“IRS”) Office of Division Counsel, a delegate of the Secretary of the Treasury.

Jurisdiction and Venue

3. The Court has jurisdiction over this action under 28 U.S.C. §§ 1331, 1345, and 1335(a) because it arises under a federal statute, the United States is the plaintiff, and the action seeks to recover civil penalties assessed under 31 U.S.C. § 5321(a)(5).

4. Venue is proper in this judicial district under 28 U.S.C. § 1391(b) because this is the district where defendant Paul Bouraxis is domiciled.

U.S. Persons are Required to Report Interests in Foreign Bank Accounts

5. Section 5314 of Title 31 of the United States Code authorizes the Secretary of the Treasury to require United States citizens or residents (“U.S. persons”) to file reports when they make a transaction or maintain a relationship for any person with a foreign financial agency. *See* 31 U.S.C. § 5314(a).

6. Under the implementing regulations to § 5314, “[e]ach United States person having a financial interest in, or signature or other authority over, a bank, securities, or other financial account in a foreign country shall report such relationship” to the IRS “for each year in which such relationship exists . . . [on] a reporting form prescribed under 31 U.S.C. § 5314.” *See* 31 C.F.R. § 1010.350(a).

7. To fulfill the reporting requirement imposed under § 5314 for the calendar years 2009 through 2014, a U.S. person who had a financial interest in, or signature or other authority over, a foreign bank, securities, or other financial account was required to report that interest to the IRS by filing a “Report of Foreign Bank and Financial Accounts,” commonly known as an “FBAR.” An FBAR for the years at issue was due by June 30 “of each calendar year with respect to foreign financial accounts exceeding

\$10,000 maintained during the previous calendar year.” *See* 31 C.F.R. §§ 1010.306(c) and 1010.350(a).

The Defendant Willfully Failed to Report his Interest in Certain Foreign Bank Accounts.

8. Defendant Paul Bouraxis is a United States citizen or resident.

9. EuroBank is one of the largest banking and financial institutions in Greece, with headquarters in Athens.

10. From 2009 through 2014, Bouraxis had a financial interest in, and signature or other authority over, multiple bank accounts maintained at EuroBank.

11. The aggregate balance of the EuroBank accounts referenced in paragraph 10 above exceeded \$10,000 in each of the calendar years 2009, 2010, 2011, 2012, 2013, and 2014.

12. On or before June 30 of 2010, 2011, 2012, 2013, 2014, and 2015, Bouraxis was required by law to file an FBAR, reporting his financial interest in, or signature or other authority over, the EuroBank accounts referenced in paragraph 10 above for calendar years 2009, 2010, 2011, 2012, 2013, and 2014, respectively.

13. Bouraxis did not file an FBAR for calendar years 2009, 2010, 2011, 2012, 2013, or 2014.

14. Bouraxis did not report his income from, or disclose his interest in, the EuroBank accounts on the federal income tax returns (Forms 1040) that he filed for the 2009 and 2010 tax years.

15. On Schedule B of the Forms 1040 that Bouraxis filed for the 2009 and 2010 tax years, he answered “no” to the question asking whether he had “an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account.”

16. The Schedules B filed with Bouraxis’s Forms 1040 for the 2009 and 2010 tax years directed Bouraxis to consult the instructions and Form TD F 90-22.1 to determine whether the FBAR filing requirements applied to him for these years.

17. Bouraxis failed to Form 1040 federal income tax returns for the 2011, 2012, 2013, and 2014 tax years.

18. On June 23, 2015, Bouraxis was indicted on multiple counts of alleged tax offenses and for scheming to defraud a financial institution. *See United States v. Paul Bouraxis, et al.*, Case No. 15-cr-125, Indictment, ECF No. 1 (E.D. Wis.).

19. On July 27, 2016, Bouraxis pleaded guilty to one violation of 18 U.S.C. § 371, conspiracy to obstruct or impede the IRS, and one count of income tax evasion under 26 U.S.C. § 7201. *See United States v. Paul Bouraxis, et al.*, Case No. 15-cr-125, Plea Agrmt., ECF No. 49 (E.D. Wis.).

20. On November 21, 2016, Bouraxis was sentenced to 24 months incarceration, to be followed by two years of supervised release. *See United States v. Paul Bouraxis, et al.*, Case No. 15-cr-125, Judgment in a Criminal Case, ECF No. 69-1 (E.D. Wis.).

21. In conjunction with his plea agreement, Bouraxis and the IRS entered into a settlement regarding penalties to be assessed and collected pursuant to 31 U.S.C. § 5321

for the 2009 through 2014 calendar years. *See United States v. Paul Bouraxis, et al.*, Case No. 15-cr-125, Plea Agrmt., ECF No. 49 at ¶ 43 (E.D. Wis.).

22. On August 16, 2016, Bouraxis signed an Agreement to Assessment and Collection of Penalties under 31 U.S.C. § 5321(a)(5) and 5321(a)(6) (Form 13449, referred to herein as “the FBAR agreement”) regarding the willful FBAR penalties at issue in this case.

23. In the FBAR agreement, Bouraxis agreed that he was the account holder for certain foreign accounts at EuroBank that had aggregate balances exceeding \$10,0000 during the 2009, 2010, 2011, 2012, 2013, and 2014 calendar years, and that he willfully failed to file FBARs for these years. Bouraxis agreed to the immediate assessment and collection of a \$1,438,848 penalty, plus any interest and penalty as provided by law, for his willful failure to report his foreign bank accounts for the 2009 through 2014 calendar years.

24. On October 1, 2018, Bouraxis was released from prison.

Count I: Reduce FBAR Penalty to Judgment

25. The United States incorporates the allegations in paragraphs 1 through 24 above as if fully set forth herein.

26. The government may impose a civil penalty on any person who fails to comply with the FBAR reporting requirements under § 5314. *See* 31 U.S.C. § 5321(a)(5).

27. Under 31 U.S.C. § 5321(b)(1), the government may assess the penalty under § 5321(a) at any time before the end of the 6-year period beginning on the date of the transaction for which the penalty is assessed.

28. On or about April 25, 2016, Paul Bouraxis signed an agreement to extend the statute of limitations for assessment of the FBAR penalty for the 2009 year until December 31, 2016.

29. For willful violations of the reporting requirements mandated by § 5314, Congress authorized a maximum penalty of the greater of \$100,000 or 50% of the maximum balance in the account at the time of the violation. *See* § 5321(a)(5)(C).

30. On or about December 2, 2016, a delegate of the Secretary of the Treasury assessed Paul Bouraxis with willful FBAR penalties pursuant to 31 U.S.C. § 5321(a)(5) for the 2009, 2010, 2011, 2012, 2013, and 2014 calendar years in the total amount of \$1,438,848.00, pursuant to 31 U.S.C. § 5314.

31. On or about December 2, 2016, the IRS sent Bouraxis notice and demand for payment of the FBAR penalties outlined in paragraph 30.

32. Penalties authorized by 31 U.S.C. § 3717(e)(2) and 31 CFR § 5.5(a) and interest have accrued on the FBAR penalties, as provided by law, and the total balance remains unpaid. As of September 25, 2018, the unpaid balance owed to the United States for the FBAR penalty, interest, penalties, and other statutory additions is \$1,621,522.57.

33. Despite notice and demand for payment of the FBAR penalties assessed for the 2009, 2010, 2011, 2012, 2013, and 2014 calendar years, Bouraxis has neglected, failed, or refused to pay in full said assessments, and there remains due and owing from Bouraxis the sum of \$1,621,522.57, plus accrued interest, penalties, and other statutory additions as provided by law, incurred before and after the filing of this Complaint.

WHEREFORE, the United States requests this Court:

- A. Enter judgment in favor of the United States and against defendant Paul Bouraxis for the unpaid willful FBAR penalty liabilities pursuant to 31 U.S.C. § 5321(a)(5) for the 2009, 2010, 2011, 2012, 2013, and 2014 calendar years, in the amount of \$1,621,522.57, plus interest, penalties authorized by 31 U.S.C. § 3717(e)(2) and 31 CFR § 5.5(a), and other statutory additions as provided by law accruing after September 25, 2018.
- B. Award the United States its costs in bringing this action and such other and further relief as the Court deems just and proper.

Dated: October 22, 2018

Respectfully submitted,

RICHARD E. ZUCKERMAN
Principal Deputy Assistant Attorney
General

/s/ Erin E. Lindgren
ERIN E. LINDGREN
Trial Attorney, Tax Division
Minn. Bar No. 0392617
U.S. Department of Justice
P.O. Box 7238
Washington, D.C. 20044
202-353-0013 (v)
202-514-6770 (f)
Erin.Lindgren@usdoj.gov

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

Place an "X" in the appropriate box (required): Green Bay Division Milwaukee Division

I. (a) PLAINTIFFS

DEFENDANTS

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

County of Residence of First Listed Defendant _____
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF
THE TRACT OF LAND INVOLVED.

(c) Attorneys (Firm Name, Address, and Telephone Number)

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- | | |
|--|--|
| <input type="checkbox"/> 1 U.S. Government Plaintiff | <input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) |
| <input type="checkbox"/> 2 U.S. Government Defendant | <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III) |

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Click here for: [Nature of Suit Code Descriptions](#).

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability PERSONAL PROPERTY <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/ Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS	LABOR	SOCIAL SECURITY
<input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/ Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	Habeas Corpus: <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty Other: <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement	<input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act	<input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g))
			IMMIGRATION	FEDERAL TAX SUITS
			<input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609

V. ORIGIN (Place an "X" in One Box Only)

- | | | | | | | |
|--|---|--|---|--|--|---|
| <input type="checkbox"/> 1 Original Proceeding | <input type="checkbox"/> 2 Removed from State Court | <input type="checkbox"/> 3 Remanded from Appellate Court | <input type="checkbox"/> 4 Reinstated or Reopened | <input type="checkbox"/> 5 Transferred from Another District (specify) | <input type="checkbox"/> 6 Multidistrict Litigation - Transfer | <input type="checkbox"/> 8 Multidistrict Litigation - Direct File |
|--|---|--|---|--|--|---|

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

VI. CAUSE OF ACTION

Brief description of cause:

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$

CHECK YES only if demanded in complaint:
JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING JEP

JUDGE

MAG. JUDGE

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INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use (b) **County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the (c) **Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here. United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box. Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.
 - Original Proceedings. (1) Cases which originate in the United States district courts.
 - Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441.
 - Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 - Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 - Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 - Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C.
 - Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.

PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
 - Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
 - Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

UNITED STATES DISTRICT COURT
for the
Eastern District of Wisconsin

Plaintiff(s)

V.

SUMMONS IN A CIVIL ACTION

To: *(Defendant's name and address)*

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you receive it) – or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12(a)(2) or (3) – you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or the plaintiff's attorney, whose name and address are:

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

STEPHEN C. DRIES, CLERK OF COURT

Date:

Signature of Clerk or Deputy Clerk

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4(l))

This summons and the attached complaint for (*name of individual and title, if any*):

were received by me on (*date*) _____.

I personally served the summons and the attached complaint on the individual at (*place*):

on (*date*) _____; or

I left the summons and the attached complaint at the individual's residence or usual place of abode with (*name*) _____, a person of suitable age and discretion who resides there,

on (*date*) _____, and mailed a copy to the individual's last known address; or

I served the summons and the attached complaint on (*name of individual*) _____

who is designated by law to accept service of process on behalf of (*name of organization*) _____

on (*date*) _____; or

I returned the summons unexecuted because _____; or

Other (*specify*): _____

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____.

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc.: